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*In the first part of this article, I indicated that the biblical notion of stewardship requires four things: responsibility, accountability, measurability, and empowerment. In this second part, I'll explore further the notion of stewardship, contrasting its application in management with current practices.*

## Dependency

**M**ANAGEMENT PRACTICE, rather than establishing the principles of stewardship, has instead fostered an atmosphere of dependency. From childhood we are told what to do by our parents; when we go to school the teachers tell us what to do; in the military, officers tell the troops what to do; and in the office, managers tell the workers what to do, how to do it, and when to do it. The result is that the individual is always in an environment where he is being told what to do. He never gets to exercise his own judgement and initiative. Instead, he is encouraged throughout life to be dependent upon others.

This idea of dependency, however, is destructive of the individual. It is damaging to the development of his skills at stewardship, since it constantly places others in the misplaced role of telling him what to do. This dependency model is non-biblical in its origin and intent. While there is a place for mutual encouragement and dependency, there is another kind of dependency that is wrong. It is the kind we're considering here, the kind of dependency that says some individuals need to tell others how to live their lives, do their work, and so on. To press the point, this is not to be construed that there is no place for helping others become better at what they do; the idea of dependency being criticised here is that which reduces the individual to the position of servitude, of having his sense of self denied because he cannot, or will not, take control and responsibility for his own actions.

Since the Fall men and women have been trying to blame others for their actions. They don't wish to take responsibility for their lives. This is the essence of childhood. The child is irresponsible,

# Re-Engineering Management: A Biblical Alternative

## Part II

by Ian Hodge

immature, and needs to be told what to do, how to do it, when to do, and why he should do it. But there comes a time when the child is no longer a child, and he needs to accept the duties of adulthood and begin to take control, responsibility, and therefore accountability for his own life. Hence, for example, our law courts are based on the fact that an adult should be punished for his crimes because he is both responsible and accountable for his actions. Man, in sin, however, is in revolt against maturity. Unfortunately, the dependency model reinforces sinful man in this revolt, and provides an avenue of attempted escape from the responsibilities of life that God places upon each of us.

As Rushdoony points out, man, in his revolt against God, is demanding a world without testing. When God placed Adam and Eve in the garden, they were tested on their obedience to God. Since the Fall, mankind is still in revolt against God's testing, for it implies responsibility, accountability, measurability, and empowerment. God's world is one of stewardship, and it is not a matter of whether we choose stewardship or not, but whether or not we will be found faithful and obedient in the trials of life. Those trials, however, manifest themselves in the home, in church, in society, and, of course, in business.

The world is full of moral decisions and is a steady round of moral responsibility. Responsibility is as

much a part of man's daily life as the air he breathes, but man resents the fact of responsibility.<sup>2</sup>

Independence from God, however, comes at a price. And the price is dependence upon other men.<sup>3</sup> Thus, when stewardship does not become the operating principle in business, then patriarchy and an ungodly dependence upon leaders results. This pattern emerges in the home, in the church as well as business; wherever stewardship is denied, an unhealthy reliance on others is the result.

When people deny their God-ordained responsibilities, the duties and actions required are not simply bypassed: they are transferred to others. Thus, for example, when men and women fail to govern themselves according to God's law, the political state steps into the vacuum and fills the void. Since man, however, cannot take the place of God, the result is tyranny and totalitarianism. This is the price men pay for failing to live according to the principles of stewardship.

The dependency model has, as a consequence, a mistaken notion about leadership. If people are dependent, they will want leaders who will tell them what to do. If people take responsibility for their own lives, then their leaders don't need to tell them what to do; rather, their leaders will instruct them and equip them to be successful in whatever they undertake. This is the biblical model of leadership.

1. Rousas John Rushdoony, *Revolt Against Maturity* (Fairfax, VA: Thoburn Press, 1977).

2. *Ibid.*, p. 116.

3. *Ibid.*, p. 125f.

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Editor: Ian Hodge

And He Himself gave some to be apostles, some prophets, some evangelists, and some pastors and teachers, for the equipping of the saints for the work of ministry, for the edifying of the body of Christ, till we all come to the unity of the faith and of the knowledge of the Son of God, to a perfect man, to the measure of the stature of the fullness of Christ (Eph 4:11-13).

A similar pattern is evident in the Old Testament. The legal structure that God established in Israel did not give leaders the mandate to tell others what to do. The elders of Israel were to judge righteous judgement. This did not mean they should establish a state education department to make sure everyone was educated, but it did lead to the synagogue as a place of instruction. It did not lead to an Israelite Social Welfare department, but it did require that each individual be responsible for care and concern for his own family and for others as well. The gleaning laws required the individual to ensure the poor and needy had provision made for them. But this was God's instruction, not the instruction of men. And there is no indication that the leaders of Israel were to punish those who did not follow the gleaning laws, just as there is no indication that the same leaders should take action when people refused to tithe as God had instructed. Nor is there any indication that the leaders were to develop alternative plans simply because people failed to follow God's instructions.

Stewardship, thus, is the proper biblical model for governance, in the home, the church, the state, and the business. In the words of Peter Block, "Stewardship is the set of principles and practices which have the potential to make dramatic changes in our govern-

ance system. It is concerned with creating a way of governing ourselves that creates a strong sense of ownership and responsibility for outcomes. . . .<sup>4</sup> While Block is here talking about the application of the idea of stewardship to business, the principles remain valid in all areas of life.

### Leadership and Partnership

The business model that we're used to working with has similarities to the structure of military command. While some kind of hierarchical model is not wrong in itself, since the Bible instructs the appointment of leaders over 10s, 50s, 100s etc., (Ex. 18:21ff), what is wrong is the idea that leaders are to control the minds of those under them to the extent that the individual is made a slave. The essence of slavery is that the slave is not free to do as he wishes; he is a person always under instruction. The free man, on the other hand, is one who can exercise his own judgement. What the biblical pattern encourages can be called partnership, where leaders and those under them work in *cooperation* for the common good.

The false notions about leadership, however, are at the heart of the problem. In the corporation, this leads to the mistaken notion that it is the leaders who make or break the organisation. There is a partial truth in this, but it should not be exaggerated. In the political realm this is patently false, since the country succeeds in spite of the politicians. This incorrect model of leadership has been called "patriarchy" by Block. He continues,

In deciding how to govern, one critical choice is between patriarchy and partnership. Patriarchy expresses the belief that it is those at the top who are responsible for the success of the organization and the well-being of its members. A measure of patriarchy is how frequently we use images of parenting to describe how bosses should manage subordinates in organizations. If our intent is to create workplaces that provide meaning, and are economically sound and strong in the marketplace, we need to face the implications for having chosen patriarchy for the governance system inside our organizations. The governance system we have inherited and continue to create is based on sovereignty and a form of intimate colonialism. These are strong terms, but they are essentially accurate. We govern our organizations by valuing, above all else, consistency, control, and predictability. These become the means of dominance by which colonialism and sovereignty are enacted. It is not that we directly seek domi-

## Subsidizing Laziness

by Ian Hodge

SIN AFFECTS PEOPLE in different ways. One of the most common is the desire many have to have someone else pay for the goods and services they receive. This can happen in many ways. This is the motivating force behind socialism of various kinds, and is a motivating factor in the welfare state in Australia. People don't want to be fully accountable for their lives. They expect others, especially the rich, to pay for them.

Unfortunately, many Christians are infected with this desire to get something for nothing. This manifests itself in the number of Christians doing work for which they are unpaid — or else are paid substantially below what might be called a fair market wage. Often, the workers are expected to work in this manner to the detriment of their families and their own well-being. Clergymen, are a good example. Congregations often expect their pastor to be on call 24 hours each day, yet they pay him a salary that is nothing extraordinary. Christian schools are another example. They expect teachers to work at below market rates so that school fees can be kept to a minimum.

Often the pressure to subsidize certain activities is driven by a wrong notion about prices. The Christian schools often believe that if they keep prices low they will get more customers. This is not always the case. For example, we are taught to believe that "you get what you pay for." Therefore, when cheap education is offered, people can be inclined to think that it is cheap and therefore sub-standard. This is not always the case, but it helps us to understand that people do not make buying decisions on price.

What people do buy is *value*. Value, naturally, is related to price, but is not identical with it. Have you ever stood in a store wanting to buy an item, and there are two identical items, different brands, one with a higher price tag than the other? Did you find it hard to decide which one to buy? More to the point, when confronted with this kind of situation, do you always buy the one with the lower price? This illustrates the point: people do not buy on price, they buy value, and the more value they believe they get for their money, the easier it is for people to make a buying decision.

At the heart of the subsidy issue is sin: an unwillingness in some people to pay the full price for what they get in life. While recognizing there is a place for charity and

4. Peter Block, *Stewardship: Choosing Service Over SelfInterest* (San Francisco, CA: Berrett-Koehler Publishers, 1993), p. 5.

nance, but our beliefs about getting work done have that effect.<sup>5</sup>

Notice the terminology here. Block uses a religious concept, *sovereignty*. But notice what he also argues. That the application of sovereignty is not the direct outcome being entertained: it is the *result* of certain conditions being established. This indicates that in sin, mankind is often not self-consciously aware that his actions lead to an establishment of himself as God. The fact is, he should know, and he *would* know it if he took the time to study the Scriptures so that he would obtain the knowledge necessary to inform him on how he should live. Without divine guidance, however, it is clear that man sets up methods of doing things that establish himself as his own god. Through the modern corporate structure, therefore, man is playing at being sovereign, exercising an attribute of God.

### More Than Leadership

IT IS NOT JUST LEADERSHIP that is required if we are to build a biblical model of management. It is an application of the concept of stewardship that will form the heart of reform in management practices. Again to quote Block, "strong leadership does not have within itself the capability to create the fundamental changes our organizations require. It is not the fault of the people in these positions, it is the fault of the way we all have framed the role. Our search for strong leadership in others expresses a desire for others to assume the ownership and responsibility for our group, our organization, our society. The effect is to localize power, purpose, and privilege in the one we call leader."<sup>6</sup>

Notice Block's argument here. He is saying that strong leadership cannot bring the reform that is necessary in the organisation. But we must be careful here to make sure we understand what he means by "strong leadership." By strong leadership he does not mean the leadership that displays strength because it stands by right convictions. Rather, he is referring to that kind of leadership which displays a false strength, because it takes from those below it the power for them to fulfil the roles they have been given. Patriarchy is the term he uses for it, and it is the right terminology. In the political order, this kind of strong leadership leads to dictatorship and the welfare state mentality. In business, it leads to despotism in the boardroom and unhappy staff, for it robs them of their ability to be truly human, thinking and acting for themselves in an environment of cooperation with others.

Let's put this another way. What Block is arguing is that no matter how much the workers might be exhorted to undertake a superb job, this is not enough. In many instances workers are already doing their best. Exhorting them to try harder only makes them more frustrated and, ultimately, become tired of the exhortation. "If you think you can do better," they retort to the manager, "then step out onto the shop floor and just try it." This environment eventually breeds hostility between workers and management, a situation ripe for union interference.

Thus, we must conclude that if centralizing power in the leadership is the problem, then distributing power away from the leadership is the solution. This is the reform that is entering the marketplace. It has various titles, such as empowerment, or liberated management,<sup>7</sup> but it all points to the same thing: the individual is to take responsibility and accountability for his role within the organisation, from the lowest to the highest. This is the biblical model of stewardship, and should be welcomed and encouraged by all those who wish to see corporate management reflect a biblical model.

Increasingly it has been seen that no matter how well the company, the country, the church and the home are managed by their leaders, it is not enough. It is not enough because God has ordained that it is not enough. The family is made up of individuals who must fulfil their roles within the family structure. So too in the church, the country, and thus the business.

A leader needs followers in order to be a leader. But he does not need mindless people who will simply obey his wishes. The true leader wants followers who can act independently of him, for no matter how good he is, life is too big for him to control. Our political leaders, to take the extreme example, cannot know all there is about the country, so it is not possible for them to have the information necessary to make some decisions. So, too, in the corporation. No matter how skilful the chief executive officer might be, he will never have sufficient information to make many decisions. Therefore, those who do have the information are the ones who should make the decisions. But it is more than this.

Responsibility resides with the one who makes the decision. The chief executive who makes all the decisions and then inquires why things have gone wrong, will one day hear the staff say "but I only did as you told me." The leader who thus makes the decision for his followers must be prepared at all

help to others, this is not the same thing as an ongoing expectation in some that others must subsidize the goods and services they buy.

Hence, we have progressive taxation and wealth redistribution in the country as one form of price subsidy. People in the lower classes mistakenly believe they are going to get some of the rich man's wealth redistributed to them. What they don't realise is that government servants are the major beneficiaries of this scheme, since it supplies many of them with a job that is paid for out of coercive taxes. Without this, these public servants would need to learn how to supply goods and services that people might *voluntarily* purchase. In other words, they would have to learn how to meet customer demand.

What is often so wrong with some of the activities that illustrate subsidization is that for the people who are providing the subsidy, there is little or no choice for them. It is expected, even demanded, they will provide the subsidy. There is certainly a place for *voluntary* charity in the Bible, but once charity is no longer a matter of free choice it is no longer charity. Now the subsidy becomes a form of coercion. Coercion of our fellow man in any form is not permitted. On this point the Scriptures are clear.

The practice of subsidies is having a devastating effect upon those organisations that demand it from their staff. In the Christian schools, for example, the teachers who can afford the subsidy are the wives of working husbands, whose job elsewhere provides enough income for the family so that the wife can afford to work at a below-market rate in a Christian school. In the pastorate, men who are capable of earning money elsewhere don't stay long in the pastorate, or they get jobs which pay better in Christian service. I heard a church elder once bemoan the fact that in his denomination, the ministers seemed to be men who went into the ministry in their mid-life and all the training they were provided disappeared as soon as these men retired. This might be only 10 or 15 years after graduation. I pointed out another interesting fact in this: many of those in ministry were men who had failed at other jobs, and now were trying another career. Here they were accepted. After all, who would dispute with the claim of these men that God had "called" them to the ministry?

The recipients of the subsidies, however, are also hurt by continual receipt of them. For example, in an article in the *The Economist* (May 7, 1994) on foreign aid, it was pointed out that foreign aid (a form of subsidy) could damage a country's economic competitiveness. A subsidy is al-

5. Block, *ibid.*, p. 7.

6. Block, *ibid.*, p.13

7. Tom Peters, *Liberation Management* (London: Macmillan, 1992).

times to wear the results of that decision.

True leadership in the biblical model endeavours to get people to accept responsibility for their own lives and actions. On the one hand, a leader recognises that sinful men and women will be attempting to avoid responsibility, for this is one of the outcomes of sin. Leadership therefore encourages people to take proper control and responsibility for the totality of their lives.

When the biblical model is denied, the paternal state, the paternal business, or the paternal church results. In the political realm this leads to an increasing denial of responsibility by the individual as the state assumes cradle-to-grave responsibility for the individual. In the corporation, the individual is similarly denied responsibility, even though he is often held accountable for outcomes. This is unfair to the individual, and modern management practices are beginning to recognise this.

In the new corporation, the individual is what is important. The whole person is being catered to in the new corporation. The former model of top-down bureaucratic management established in the Ford plant by Frederick Taylor earlier this century, with workers doing the same, single repetitive task, has been overthrown for something better.

### Small is Beautiful

**S**TEWARDSHIP THUS LEADS to a decentralised model of management. But a decentralised management model also leads to a breakup of the corporation. If individuals can take full responsibility for their own lives and actions, then it is not necessary for them to turn up in the office from eight to five. Instead, they might have flexitime and can work hours to suit themselves while, at the same time, ensuring they provide the necessary service to their customers. Others are learning they can share their job with another, thereby providing a different lifestyle for both.<sup>8</sup>

If they are now taking responsibility for their actions, then they will no longer receive a guaranteed wage or salary. With stewardship will come a pay system that reflects the worker's capacity to satisfy the demands of his customers. The introduction of enterprise bargaining will permit individuals to negotiate their own pay system with their employer. No longer will the worker necessarily be obliged to receive the same pay as his colleague; now each individual will be assessed on his merits and his own capacity to provide goods and services into the marketplace.

Decentralised management means smaller, leaner, corporate structures. Small is beautiful in this case, because the smaller organisation can respond more quickly to the challenges in the marketplace. A large corporation might have many levels of hierarchy, to the extent that the worker on the shop floor might have six or seven people to go through before a decision can be made. With stewardship as the management model, the worker can make his own decisions.

Mind you, he should be prepared to pay the price. With responsibility goes a greater share of the outcomes of good decisions. But bad decisions have their price also. In the corporation, the ultimate price is to resign as admittance of inability to deliver that which was promised. There are no free lunches. Of course, it is protection from this ultimate outcome that so many are seeking, since they do not wish to accept responsibility and accountability for their actions. It should be kept in mind, however, that these workers will one day stand before God Almighty and give an account of their lives and actions. So they might as well get used to the idea here and now and begin to put into practice that which God expects of them. We do no favour to people by permitting them to hide from their responsibilities. It is a challenge to every one in the leadership position that they do not allow themselves to pick up other people's responsibilities. To do so is not biblical leadership. It is the essence of totalitarianism and the antithesis to freedom for the individual.

### Customer Service

**W**ITH THE INTRODUCTION of stewardship, however, has come a redefinition of the customer. Once, the customer was simply the person or entity who did business with the corporation. Now, the customer is anyone who receives a product or service. Thus, *within* the organisation there are customers, as well as those who are the customers of the organisation itself.

How does this work out in practice? One management model sees the company as a sales and marketing driven entity. The corporation exists to supply goods and services to its customers. As a company grows from a one person operation, other people will be employed to help operate the business. Secretarial help is there to help relieve the single owner-operator of these duties; so too is the accountant or bookkeeper. Both these tasks are there to serve the needs of the person making the sales to the customers. If the company grows to employ a debtors' clerk, computer staff, and so forth, all these people are there

ways necessary where people cannot meet market expectations in some form. This might be because of legitimate reasons. But if continued, the subsidy is only a compensation for the failure of some to meet "market expectations." Only those subsidies that can bring people to the point where they can survive on their own is worthwhile. All other subsidies only maintain the condition they should help to alleviate.

One Christian school in Melbourne is attempting to overcome this by removing or limiting subsidies to those parents who are in genuine need. In fact, the subsidies are eliminated, in that parents who receive a financial reduction in fees from the school are expected to work off the amount of the subsidy at the school over the year at a nominal rate of \$10 per hour. This is Christian charity at its best, for it discourages the notion that some should subsidise others by insisting that all pay full price. Those who don't have the money can pay with time, labour, and sweat. This is a school that will grow in strength, for underneath it is trying to work out biblical principles in this manner and this can only strengthen the school. It also means the school can afford to charge market rates to the parents, thereby ensuring it has sufficient cash to build a quality school with quality teachers and facilities.

One of the false notions behind the idea of subsidies is that if poor people are subsidized they can somehow live like the rich, or at least the middle class. This notion, however, forgets that both the rich and the middle class did not happen by chance. The people in these respective groups reached these positions by generations of hard work. Very few have made it into these classes in a single leap from the lower socio-economic groups. It does happen, but it is not the general rule. The general rule is that people work their way into the next socio-economic bracket. They teach their children habits and disciplines they may not have had the advantage to learn, thereby ensuring their offspring do "a little better" in life. The provision of subsidies can help foster the false notion that the way to be wealthy is to live off the charity of others, and this is not the case for the charity of others will eventually tire. This is why so many people who subsidize so much work eventually give it up. There are limits to their charity.

So, too, with nations that receive continual subsidy. They do not need subsidies, but encouragement. They do not need cash. They need people who are willing to buy their goods and services. They need to learn how to live in a competitive environment, where others will continually strive to produce better goods at a cheaper price. And they need to learn that they, too, can

8. A shared job allows two people to work the same position. Usually both people work three days in the week, thus overlapping on Wednesday. Both share the joys, and the trouble, that the position entails, including the decisions of the other person which ought to be worked out in mutual agreement.

to serve the needs of the sales force. The manufacturing division is also there to service the needs of the sales people who are the direct link to the customers who use the products or services.

Thus, stewardship requires that each worker decides who are his customers. The accountant, for example, will find that one of his customers is the owner of the company. His work has little impact on the end user. A secretary, however, will not only serve the needs of her boss (her customer) but she might have direct contact with customers. In this case there are both internal and external customers.

Stewardship, therefore, is the answer to the corporation's need to become customer-focused. It puts the worker in direct control of his activities, and permits him to deal directly with his customers, taking full responsibility for customer service.

Now we see why numerous middle managers have been eliminated from the organisation. "Middle managers who made a living planning, organizing, and controlling are no longer needed and, in fact, get in the way."<sup>9</sup> The revolution in management practices has discovered that people are quite able to manage themselves, given the opportunity. Not only can they manage themselves, but they become more sensitive to the needs of the customers because they tend to be closer to them.

Thus we have seen a reengineering of management and the functions of the manager have been handed back to the worker. Unless managers can add real value to their work units, they become superfluous and a hindrance.

Insofar as workers are given control and responsibility for their own destiny in the corporation, within the confines of corporate goals and objectives, then the principle of stewardship has been adopted. The older model of top-down management has been found wanting, especially in the pressures of the 1980s. The older model could not reform itself because of "its desire to determine and prescribe a way of living and working for others." On the other hand, "stewardship defines a structure for others to make their own choices, it does not make the choices for them."<sup>10</sup>

Stewardship requires responsibility, accountability, measurement and empowerment in order for it to be exercised.

But there is another good reason for locating power in the hands of the worker. In the past, it has been falsely assumed that all customers are the same, and any response to customers can be the same for all. Such, however,

is not the case. Customers are real people, and therefore their tastes and wants are different. By locating power in the hands of those workers closest to the customer, the worker can formulate a response to each individual customer as needed. This is the highest level of customer recognition, so little wonder that firms which introduce stewardship in some form are reaping the benefit of happy customers and more sales.

### Practical Considerations

**P**UTTING STEWARDSHIP into practice has some interesting implications. If stewardship implies, as it does, the importance of the individual and his relationship to his customers, then clearly the customers are the ones who should now conduct the employee's performance review or at least have a significant say in it. Stewardship requires a customer-centred approach to activity, and since the worker is now to be put in charge of his own destiny, it is only fair that those he serves become the judge of his performance.

When it comes to sales people this concept is not new. Very often this performance is measured in terms of volume sales. But there are also less tangible forms of measuring a salesman's abilities. For example, ongoing customer service and care can be measured by asking customers to provide feedback on the services they receive. Often this is given without solicitation, but there is no reason not to solicit comments. In fact the opposite is true: well-run and successful businesses actively seek their customers' feedback and use the knowledge to improve their products and/or services.

A customer-based performance review of the employee's work has some interesting connotations for the workplace. For example, stewardship requires empowerment of the individual to be in charge of his work as far as possible. This management model requires that managers see those under their jurisdiction as customers; managers supply management services back to the employees under their control. Therefore, the manager's performance review, or a healthy portion of it, would be given by those below him. True, the manager also serves those above him, and they too will have a say in any performance review. But with stewardship as the model, the manager is now more customer-focused. His task is to keep his customers (those for whom he has responsibility) happy by supplying the goods and services they need to fulfil their duties. And his customers are the best ones to decide how well he has fulfilled the duties of manager.

prosper in such an environment so that they can become a source of charity and help to others rather than the recipients of aid.

But these conditions are religious. The conquest of poverty will thus come about by moral and religious training, not by the establishment of subsidies.

\* \* \* \* \*

**S**UCCESS IS THE RESULT of hard work that overcomes all forms of disappointment and moments of discouragement. Success is not achieved through complex strategies. It is achieved only through conscientiously carrying out the duties of your office and exercising the responsibilities of leadership — nothing else will prevail." (from *Leadership Secrets of Attila the Hun* by Wes Roberts, London: Bantam Books, 1989.)

The traditional business model says the manager's performance review is conducted by his superiors. This leads to an incorrect focus on keeping the boss happy rather than looking after the workers below him. Thus stewardship stands to radically change the assessment of a manager's ability to manage his staff, provide them with true leadership, look after their needs in the workplace, and help them achieve their goals.

Stewardship also requires that the worker receive a fairer share of the financial results of the company. For example, usually salespeople in an organisation earn bonuses and extra commissions on sales. Management too can share in these additional financial considerations. But it is a rare company that provides all its workers with a share of the profits over and above the usual wages and salaries. These are usually retained for shareholders, the owners of the company. And while this is right and proper, it is not necessarily good that other workers in the company miss out in receiving a share of the profits at the end of the year. The point here is a generalisation, and there are always companies that can be shown to pay staff additional bonuses at times. But there are many companies which don't do this, and this point is addressed at those in this category. Also, the idea here of profit-sharing is more than bonuses, unless those bonuses are linked to a share of the profits.

Stewardship, as mentioned above, requires the worker to assume greater control over his affairs in the company. He needs to take ownership of his responsibilities, being prepared to take the ultimate decision if he fails. But if

9. Block, *ibid.*, p. 207.

10. Block, *ibid.*, p. 206.

the worker is to do this, he also needs to receive the financial compensation appropriate for success. This should be, as far as possible, a share of the profits. This gives him the right financial incentive to conduct his activities in the best interests of the customer and his employer, for he has a direct financial interest in the outcome of his actions.

### Stewardship in Action

**T**HE INTERESTING question is, does it work? It seems that for decades the top-down management model has been necessary. Why have people changed all of a sudden? Have they in fact changed? Or is it just that some people have now recognised that the older forms of management produced inferior goods and services because of the manner in which workers have been treated?

At this point we can return to Ricardo Semler and his story at Semco, for here we have first hand testimony of an application of the principle of stewardship.<sup>11</sup> Semler does not call it by its biblical name, but it is recognizable by the four qualities we've identified that constitute stewardship. So radical has been the application of this principle in Semco, that many workers get the chance to nominate their own salary. And the company, it seems, has yet to be cheated by the workers doing this.

The breakup of the Semco group into smaller, self-controlling work teams not only gave the staff a greater interest and control in their destinies, it also brought the company an increase in profits — up around the 40% mark. By any standards, that is extraordinary. But it gives practical evidence that the principles will work if applied. Workers will respond positively when they are no longer treated as children but given the opportunity to be responsible adults.

At a business meeting I attended once, a director of a company said that certain instructions should be issued to the staff because they were too immature to make major decisions on their own. I know of no better way to keep people immature than to take on the responsibility of making their decisions for them. If staff members in this company were immature, then the best way to solve their immaturity is to give them the major decisions. Let them sink or swim. And most of us will be surprised by just how many make it when given the opportunity.

In contrast to the top-down management model, Semler has taken his

Semco employees to the other extreme: they determine their own destiny. And they are rewarded accordingly. Not only can they set their own salaries, but all workers share in company profits. This is on an agreed basis, after the company deducts its shareholders' dividends, plus make financial provision for future growth of the company. As a result, about 23% of the profits are distributed to staff. In Brazil, however, there are not always profits. When the government confiscated bank accounts in 1990, many companies suffered great difficulties, including Semco. But the mechanisms he had put in place helped the staff in the Semco group maintain their jobs and, in some instances, permit some groups to gain ownership of their sections of the company. Radical? To be sure. Successful? Semco is the most sought after company for workers to obtain a job in the whole of Brazil. Thousands each year apply in the hope of getting a job somewhere in the organisation. It is the workers' desire to be employed by Semco which tells us something about the humanity of the management systems established by Mr Semler.

There are many other aspects of the Semco story that could be recounted here, but space does not permit. Readers should purchase a copy of the book and discover for themselves what a difference is made when workers are given their greatest challenge in business. After all, says Semler, the greatest challenge in business is this: "to make people look forward to coming to work in the morning."<sup>12</sup> Unfortunately, too many bad management practices rob the employee of the joy of his job. This is what Total Quality Management is about, among other things.<sup>13</sup>

### The RTC Factor

**W**HENEVER CHANGE is in the air, there are also some who exhibit the RTC Factor. RTC means Resistant To Change. People's easy acceptance of the status quo, no matter how bad it is, is only explicable on the notion that people don't like change. Change represents insecurity to some, so they resist it with all their might.

It is also recognition of a theological fact: that without atonement and justification before God, man will not easily accept his God-ordained responsibilities. Our social structures, therefore, should not be an encouragement to continue in revolt against God. Rather, our structures should work to reinforce God's requirements. This means that

the establishment of management structures based on stewardship are not an option: they are a duty.

This resistance to change is found at all levels of the organisation. There are some managers who find their identity — wrongfully, no doubt — by exercising authority and control over the workers below them. On the other hand, there are workers who prefer to maintain their slavish mentality and be told what to do all the time, rather than being free persons and exercising their own judgement. Both groups hinder the reform of management. But since those that do reform are the ones boasting extraordinary improvements in quality of goods and services, then those with the RTC Factor will be forced to change eventually. No doubt some will go to their grave without making the change. But others will eventually be forced by market pressures to conform to the new requirements of business: *stewardship*.

### Conclusion

**A** MANAGEMENT revolution is under way in our midst. It is going to revolutionise those businesses that apply its principles. It goes by various names, but stewardship is probably the best name for it. From a Christian perspective, this name is most appropriate.

Armed with the knowledge, the Christian businessman, Christian manager, or Christian worker, has a unique opportunity in the present economic climate to bring radical change for good to his place of employment. These changes should bring increased success to the organisation. Success is not always financial. But if one of the aims of the company is to provide meaningful employment for people, then stewardship is the biblical framework in which this can be achieved. Other systems have failed, so there's little to lose by attempting to implement stewardship in the workplace.

The alternative is to continue as we are with unhappy and unfulfilled staff, disgruntled customers, and continual bickering in the workplace, while attempts are made to "blame" someone for the unhappy state of affairs. Stewardship, on the other hand, provides a biblical alternative to the present model. It alone offers itself as the right answer to the problems of management, whether that is in the home, church, state, or in business.

11. Semler is due in Australia in October this year to speak at seminars run by the Australian Institute of Management. Subscribers interested in learning about management methods are encouraged to attend his meetings if possible. They are sure to be stimulating. Contact the A.I.M. office in your state capital for details.

12. Semler, *ibid.*, p. 233.

13. See Stephen R. Covey, *Principle-Centered Leadership* (New York: Summit Books, 1991), p. 264.